



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2009 Biennium

<b>Bill #</b>	SB0062	<b>Title:</b>	Increase payment to advisory board members
<b>Primary Sponsor:</b>	Cobb, J.	<b>Status:</b>	As Introduced

- |                                                           |                                                        |                                                          |
|-----------------------------------------------------------|--------------------------------------------------------|----------------------------------------------------------|
| <input type="checkbox"/> Significant Local Gov Impact     | <input checked="" type="checkbox"/> Include in HB 2    | <input type="checkbox"/> Technical Concerns              |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

### FISCAL SUMMARY

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
<b>Expenditures:</b>				
General Fund	\$19,163	\$19,013	\$18,874	\$19,345
State Special Revenue	\$17,575	\$21,295	\$18,465	\$22,373
Federal Special Revenue	\$4,462	\$4,574	\$4,687	\$4,806
Other	\$1,250	\$1,281	\$1,314	\$1,346
<b>Revenue:</b>				
General Fund	\$0	\$0	\$0	\$0
<b>Net Impact-General Fund Balance</b>	<b>(\$19,163)</b>	<b>(\$19,013)</b>	<b>(\$18,874)</b>	<b>(\$19,345)</b>

### Description of Fiscal Impact:

This bill increases the daily rate paid to advisory council members from \$25 to \$50 with an estimated 2.5% inflationary increase each subsequent year.

### FISCAL ANALYSIS

#### Assumptions:

1. Agencies that do have council member but will not significantly be impacted by this bill and may absorb the increases into their requested budgets are the Department of Commerce and the Department of Fish, Wildlife and Parks.
2. No new advisory councils are created.
3. No additional members will be added to any advisory council.

**Board of Crime Control (BCC)**

4. The Board of Crime Control has 15 advisory council members who qualify for the daily pay rate.
5. The Board of Crime Control assumes ten members will meet five days a year and five members will meet four days a year. The number of paid days is estimated to be approximately 70 resulting in a general fund increase of \$1,750 for the 2009 biennium.

**Department of Justice (DOJ)**

6. Gaming Advisory Council (GCD) - Assume 2 legislators will continue to be appointed – one Senator and one Representative and neither legislator will also be a state employee.
7. The department estimates council members will attend council and council sub-committee meetings covering ten days per year (\$500/yr).

**Governor's Office (GOV)**

8. The Mental Disabilities Board of Visitors pays its board members a \$25/day honorarium for the time spent on official duties. The average expense over the last 3 years for honorariums was about \$900 per year.

**State Auditor's Office (SAO)**

9. The SAO has a Continuing Education Advisory Board. FY 2006 honorariums for this board were \$1,600.

**Board of Public Education (BPE)**

10. Five advisory committees during each fiscal year averaging 10 members to meet at least three times a year.
11. Of the 50 members 20 are eligible for the entitlement equating to a total increase of \$3,000.

**Montana Arts Council (MAC)**

12. The Cultural and Aesthetics Advisory Committee authorized in 22-2-302, MCA, is a 16 member body which meets for two days every other year. The agency's current practice is to only pay the members for the meeting days. There will be a 2 day meeting plus 6 days for reading and reviewing proposals before the meeting (100 proposals at ½ hour each). This activity occurs every two years in October proceeding the Legislative session. At \$25 per day (plus inflation), the increase is \$3,280.

**Department of Environmental Quality (DEQ)**

13. There are four advisory councils attached to the Department of Environmental Quality to which SB 62 applies. The department may reimburse members of the Water and Wastewater Operator Advisory Council, the Air Pollution Control Advisory Council, the Small Business Assistance Advisory Council and the Water Pollution Control Advisory Council at the new maximum rate of \$50/day.
14. The Water and Wastewater Operator Advisory Council has six members that could be reimbursed and they normally meet two times per year.  $25 \times 6 \times 2 = \$300$ .
15. The Air Pollution Control Advisory Council has nine members that could be reimbursed and they normally meet four times per year.  $25 \times 9 \times 4 = \$900$ .
16. The Small Business Assistance Advisory Council has six members that could be reimbursed and they normally meet one time per year.  $25 \times 6 \times 1 = \$150$ .
17. The Water Pollution Control Advisory Council has 11 members that could be reimbursed and they normally meet six times per year.  $25 \times 11 \times 6 = \$1,650$ .

**Department of Transportation (DOT)**

18. The three members on the design-build advisory council meet twice a year. They dedicate two days to each meeting, increasing the annual cost by \$300.

**Department of Revenue (DOR)**

19. The DOR anticipates \$1,200 in advisory board per diem costs in FY 2008 and \$600 in FY 2009.

**Department of Administration (DOA)**

20. The Capitol Complex Advisory Council will have no fiscal impact to the state.
21. There will be two Capital Finance Advisory Council meeting per year; five members will request reimbursement for an increase of \$250 ( $2 \times 5 \times \$25$ ).

22. The Risk Management Advisory Council includes six members who meet semi-annually for an additional expense of \$300 per year ( $\$25 \text{ daily increase/member} \times 6 = \$150 \times 2 \text{ meetings} = \$300$ ).
23. Additional costs for the Electronic Government Advisory Council, the Land Information Advisory Council, and the Public Safety Communications Council would be \$500.
24. The State Employee Group Benefits Advisory Council (SEGBAC) has four members who are not employees or full-time salaried officers of the state or any political subdivision of the state. SEGBAC typically conducts five meetings per year. Assuming the maximum pay rate of \$50 per day the cost would increase by \$500 per year.

**Department of Agriculture**

25. Current expenditures for the Department of Agriculture were \$11,750, so doubling the per diem rate would cause an increase of a like amount.

**Department of Corrections (DOC)**

26. Currently the DOC has 24 members on the advisory council which meets quarterly. Only 14 are eligible for per diem. The other 10 are current government employees who are not eligible to receive per diem.
27. The impact for the DOC is 14 board members times 4 meetings at \$25 per board member (\$1,400).

**Department of Labor and Industry (DLI)**

28. The Workforce Investment Board (WIB) has 34 members, of which, 29 are entitled to receive the daily pay rate for advisory council members. The WIB meets four days each year ( $4 \times 29 = 116$ ). WIB committee meetings are held four days per year with 10 members participating ( $4 \times 10 = 40$ ). The cost increase would be \$3,900 in FY 2008 ( $116 + 40 \times \$25 = \$3,900$ ).
29. There are 12 members on the Building Codes Advisory Council. Two of these members are full-time salaried employees of the state making them ineligible for the daily pay rate. The council is anticipating two - one day meetings per year ( $10 \text{ eligible members} \times 2 \text{ meeting days} \times \$25 \text{ per day} = \$500$ ).
30. The Workers' Compensation Advisory Council has 10 members meeting 6 times a year with an increase of \$25 for each. ( $10 \times 6 \times 25 = \$1,500$ ). The state special fund, Workers' Compensation Assessment Fund (WCA), is collected based on a formula found in 24.29.954 ARM. Any expenditure in WCA in a given year may be collected in the following year.

**Department of Public Health and Human Services (DPHHS)**

31. The Disability Services Division within the DPHHS paid \$8,525 in SFY 2006 to members of advisory councils in daily rates paid, at a rate of \$25 per day. FY 2008 additional cost is \$8,525.
32. Since these advisory councils are in programs with capped federal grants (Early Intervention / Part C and Vocational Rehabilitation), this additional cost would be a general fund expense.
33. The Directors Office has two council members on the MHC, which meets 4 times a years thus totaling an increase of  $2 \times 4 \times 25 = \$200$  for FY 2008. The Directors Office also has 3 members on the Rates Commission which meets 9 times a year totaling an increase of  $3 \times 9 \times 25 = \$675$  for FY 2008.
34. The Mental Health Advisory Council is not subject to the requirements of MCA 2-15-122 per MCA 53-21-702 which reads "(4) (a) The department shall form an advisory council, to be known as the mental health oversight advisory council, to provide input to the department in the development and management of any public mental health system. The advisory council is not subject to 2-15-122."

	<b><u>FY 2008 Difference</u></b>	<b><u>FY 2009 Difference</u></b>	<b><u>FY 2010 Difference</u></b>	<b><u>FY 2011 Difference</u></b>
<b><u>Fiscal Impact:</u></b>				
<b>Board of Crime Control</b>				
<b><u>Expenditures:</u></b>				
Operating Expenses	\$1,750	\$1,794	\$1,839	\$1,885
<b><u>Funding of Expenditures:</u></b>				
General Fund (01)	\$1,750	\$1,794	\$1,839	\$1,885
<b>Department of Justice</b>				
<b><u>Expenditures:</u></b>				
Operating Expenses	\$500	\$513	\$525	\$538
<b><u>Funding of Expenditures:</u></b>				
State Special Revenue (02)	\$500	\$513	\$525	\$538
<b>Governor's Office</b>				
<b><u>Expenditures:</u></b>				
Operating Expenses	\$900	\$923	\$946	\$969
<b><u>Funding of Expenditures:</u></b>				
General Fund (01)	\$900	\$923	\$946	\$969
<b>State Auditor's Office</b>				
<b><u>Expenditures:</u></b>				
Operating Expenses	\$1,600	\$1,640	\$1,681	\$1,723
<b><u>Funding of Expenditures:</u></b>				
State Special Revenue (02)	\$1,600	\$1,640	\$1,681	\$1,723
<b>Board of Public Education</b>				
<b><u>Expenditures:</u></b>				
Operating Expenses	\$3,000	\$3,075	\$3,152	\$3,231
<b><u>Funding of Expenditures:</u></b>				
General Fund (01)	\$3,000	\$3,075	\$3,152	\$3,231
<b>Montana Arts Council</b>				
<b><u>Expenditures:</u></b>				
Operating Expenses	\$0	\$3,280	\$0	\$3,446

**Funding of Expenditures:**

State Special Revenue (02)	\$0	\$3,280	\$0	\$3,446
----------------------------	-----	---------	-----	---------

**Department of Environmental Quality****Expenditures:**

Operating Expenses	\$3,000	\$3,075	\$3,152	\$3,231
--------------------	---------	---------	---------	---------

**Funding of Expenditures:**

General Fund (01)	\$1,650	\$1,691	\$1,734	\$1,777
State Special Revenue (02)	\$1,350	\$1,384	\$1,418	\$1,454
<b>TOTAL Funding of Exp.</b>	<b>\$3,000</b>	<b>\$3,075</b>	<b>\$3,152</b>	<b>\$3,231</b>

**Department of Transportation****Expenditures:**

Operating Expenses	\$300	\$308	\$315	\$323
--------------------	-------	-------	-------	-------

**Funding of Expenditures:**

State Special Revenue (02)	\$300	\$308	\$315	\$323
----------------------------	-------	-------	-------	-------

**Department of Revenue****Expenditures:**

Operating Expenses	\$1,200	\$600	\$0	\$0
--------------------	---------	-------	-----	-----

**Funding of Expenditures:**

General Fund (01)	\$1,200	\$600	\$0	\$0
-------------------	---------	-------	-----	-----

**Department of Administration****Expenditures:**

Operating Expenses	\$1,750	\$1,794	\$1,839	\$1,885
--------------------	---------	---------	---------	---------

**Funding of Expenditures:**

General Fund (01)	\$300	\$308	\$315	\$323
State Special Revenue (02)	\$450	\$461	\$473	\$485
Other	\$1,000	\$1,025	\$1,051	\$1,077
<b>TOTAL Funding of Exp.</b>	<b>\$1,750</b>	<b>\$1,794</b>	<b>\$1,839</b>	<b>\$1,885</b>

**Department of Agriculture****Expenditures:**

Operating Expenses	\$11,750	\$12,044	\$12,345	\$12,653
--------------------	----------	----------	----------	----------

**Funding of Expenditures:**

State Special Revenue (02)	\$11,375	\$11,659	\$11,951	\$12,250
Federal Special Revenue (03)	\$125	\$128	\$131	\$135
Other	\$250	\$256	\$263	\$269
<b>TOTAL Funding of Exp.</b>	<b>\$11,750</b>	<b>\$12,044</b>	<b>\$12,345</b>	<b>\$12,653</b>

**Department of Corrections****Expenditures:**

Operating Expenses	\$1,400	\$1,435	\$1,471	\$1,508
--------------------	---------	---------	---------	---------

**Funding of Expenditures:**

General Fund (01)	\$1,400	\$1,435	\$1,471	\$1,508
-------------------	---------	---------	---------	---------

**Department of Labor & Industry****Expenditures:**

Operating Expenses	\$5,900	\$6,048	\$6,199	\$6,354
--------------------	---------	---------	---------	---------

**Funding of Expenditures:**

State Special Revenue (02)	\$2,000	\$2,050	\$2,102	\$2,154
----------------------------	---------	---------	---------	---------

Federal Special Revenue (03)	\$3,900	\$3,998	\$4,097	\$4,200
------------------------------	---------	---------	---------	---------

<b>TOTAL Funding of Exp.</b>	<b>\$5,900</b>	<b>\$6,048</b>	<b>\$6,199</b>	<b>\$6,354</b>
------------------------------	----------------	----------------	----------------	----------------

**Department of Public Health & Human Services****Expenditures:**

Operating Expenses	\$9,400	\$9,635	\$9,876	\$10,123
--------------------	---------	---------	---------	----------

**Funding of Expenditures:**

General Fund (01)	\$8,963	\$9,187	\$9,417	\$9,652
-------------------	---------	---------	---------	---------

Federal Special Revenue (03)	\$437	\$448	\$459	\$471
------------------------------	-------	-------	-------	-------

<b>TOTAL Funding of Exp.</b>	<b>\$9,400</b>	<b>\$9,635</b>	<b>\$9,876</b>	<b>\$10,123</b>
------------------------------	----------------	----------------	----------------	-----------------

**Net Impact to Fund Balance (Revenue minus Funding of Expenditures):**

General Fund (01)	\$19,163	\$19,013	\$18,874	\$19,345
-------------------	----------	----------	----------	----------

State Special Revenue (02)	\$17,575	\$21,295	\$18,465	\$22,373
----------------------------	----------	----------	----------	----------

Federal Special Revenue (03)	\$4,462	\$4,574	\$4,687	\$4,806
------------------------------	---------	---------	---------	---------

Other	\$1,250	\$1,281	\$1,314	\$1,346
-------	---------	---------	---------	---------

\_\_\_\_\_  
*Sponsor's Initials*\_\_\_\_\_  
*Date*\_\_\_\_\_  
*Budget Director's Initials*\_\_\_\_\_  
*Date*